

NURSE WORKFORCE INITIATIVE CONCEPT PAPER

An Initiative to Engage Californians in Careers In Licensed Nursing

On January 23, 2002, Governor Davis announced a \$60 million, three-year initiative to address California's growing nursing shortage. Since that time, the California Health and Human Services Agency (CHHS) has collaborated with State partners to develop and implement this important initiative. This paper recommends a program approach to recruit, train and retain Licensed Nurses (LNs) [including Licensed Vocational Nurses (LVNs) and Registered Nurses (RNs)] for employment in hospitals and other health facilities. This initiative uses \$60 million in Governor's discretionary funding from the federal Workforce Investment Act (WIA) over a three-year period. The Nurse Workforce Initiative (NWI) supports several important State priorities; in particular, the initiative seeks to improve quality of care in hospitals and other care facilities, supply nurses needed to staff new nurse-patient ratios, and reduce a significant, on-going labor shortage.

Project Description

The purpose of this initiative is to recruit, train, and retain qualified LNs to reduce critical labor shortages in health facilities throughout California. A number of factors, some of which began decades ago, have contributed to the shortage of labor in these occupations. Successful implementation of this initiative requires:

- Collaboration among a number of State departments within CHHS, and among other State agencies, including the Department of Consumer Affairs, and Boards of Registered Nursing and Vocational Nursing/Psychiatric Technicians. The CHHS has lead responsibility for State agency collaboration;
- Collaboration with the segments of higher education and other educational agencies;
- Collaboration between the State and the private sector, both business and labor, engaged in health care;
- Development of local or regional public/private partnerships that work together to increase the supply of qualified LNs;
- Development of State and regional public/private partnerships to increase the capacity to train additional nurses in future years;
- Regional coordinators who have responsibility for ensuring the organization and functioning of the local partnerships; and
- Strong evaluations that include developing a complete understanding of the diverse causes of the labor shortage, and the effectiveness of actions

taken within this initiative to increase the labor supply and improve working conditions.

Some of the activities undertaken as part of this initiative may affect the supply of LNs indirectly. Some examples of these activities include the development of education and training programs that improve career ladders in health occupations, development of projects to test ideas for improving conditions in the workplace, or evaluation of labor market factors and administrative practices affecting the labor supply. This initiative integrates these activities to ensure that they contribute to the basic goal: to increase the statewide supply of LNs.

Program Model

The means to increase the supply of RNs vary widely among California's economic regions. Consequently, development of the specific projects must have strong local support within the regions identified in this initiative. Such participation includes assistance and direction from local partnerships formed between the State, regional workforce and education entities, segments of higher education, industry, and labor leaders. An important part of this initiative is to develop partnerships that can find local or regional solutions to address the need for qualified LNs.

Nurse Workforce Initiative Components. Since the conditions leading to the nurse shortage have complex origins, the NWI has several distinct but related components:

- **The Nursing Training Enhancement Project.** This component provides \$28 million for nurse training and enhancement projects. Approximately \$24 million over three years will be available to support regional collaboratives that provide LN training and support to eligible individuals. This component also will provide financial incentives to hospitals to develop preceptor and mentor programs to support new and returning nurses for a transition period while they adapt to the workplace. Funding opportunities will also be available under this component in the amount of \$3 million to fund career ladder pilot projects and \$1 million for workplace reforms.
 - **Regional Collaboratives.** This proposal provides \$24 million to regional collaboratives to address local nurse needs. The regional collaboratives would use these funds according to regional priorities to increase the number of LNs. Typical regional collaboratives should include the Local Workforce Investment Board (LWIB) and local hospitals, unions, and nursing schools. Collaborative projects could include nurse training activities; additional training and educational activities -- such as specialized English as a Second Language (ESL) or medical math courses -- to support nurse training; supportive services -- such as child care or transportation - to remove barriers and support continuation in training and

- educational activities; counseling; mentoring; skill enhancement and upgrade training and cultural and diversity training.
- **Career Ladder Pilot Projects.** The proposal provides \$3 million to test pilot projects that provide strategies for on-site approaches to delivery of skills upgrade training, including distance learning, so that Certified Nurse Assistants (CNAs), LVNs, psychiatric technicians (PTs), and RNs can move to higher skilled and higher paying positions. Such strategies should reduce the rate at which workers leave health care delivery jobs.
 - **Workplace Reform Pilot Projects.** The proposal provides \$1 million to fund designing and testing of workplace reform projects to improve nurse retention by supporting the transition to the workplace for new and returning nurses, reducing workplace stress, improving scheduling practices, and increasing LN and other relevant staff participation in care management. Examples of demonstration projects might include training to support workplace redesign projects, continuous quality improvement processes, or preceptor/mentor programs. Such strategies should reduce the rate at which workers leave health care delivery jobs. Funds under this proposal will augment funding awarded under the Regional Collaborative and/or Career Ladder proposals.
 - **Support Increased Nurse Education Capacity.** This component provides \$24 million over three years to increase the state's nurse education capacity. This component contemplates a contracting process between the State and the segments of higher education. These contracts would provide funding to cover the incremental cost of establishing additional training slots at community colleges, four-year colleges and community college/California State University collaboratives. Participating schools would need to agree to provide certain information about their programs and students.
 - **Expand the Central Valley Health Careers Training Program.** This component commits \$6 million over three years to provide training to additional healthcare workers, primarily LNs and PTs. This program, based at West Hills Community College, began as part of the Caregiver Training Initiative (CTI). The funding expands the program to a regional consortium of training institutions and health care providers and offers opportunities for on-the-job training and distance learning. This component modifies and extends an existing training contract.
 - **Increase spending authority for the Health Professional Education Foundation (HPEF).** The HPEF administers several programs to provide financial assistance to students seeking registered nurse degrees. One of these programs is the Registered Nurse Education Program (RNEP) funded by a \$5 fee assessed on all RN renewal licenses. This initiative increases spending authority to the RNEP. The Office of Statewide Health Planning and Development (OSHPD) will consult with representatives of the nursing profession regarding opportunities to expand these educational support activities. In addition, HPEF received a \$1.9 million grant from the California Endowment to support scholarships for

underrepresented and economically disadvantaged students from the Central Valley.

- **Implement Statewide Media and Outreach Campaign to Recruit Nurses.** With the support of the health care industry stakeholders and foundations, the initiative will develop an effort to attract students to nursing and encourage nurses to return to bed-side nursing. These activities include outreach to middle and high school students to encourage consideration of nursing as a profession. It also includes development and maintenance of a specialized web site.
- **Standardize Prerequisites.** Explore and support strategies to standardize nursing course prerequisites and other requirements in an effort to make it easier for students to transfer between community college campuses, and to transfer from an Associate Degree in Nursing to a Bachelors Degree in Nursing program.
- **E-Applications.** Build a real-time electronic application process. Currently, the BRN operates an online application process for license renewal only. Although first time applicants currently can access and download the licensing application online, they cannot submit it online.

Stakeholders. The State will engage stakeholders representing many aspects of the health care industry, as well as advocacy groups and educational institutions to discuss and make recommendations regarding how best to use the funds made available under the components of this initiative. A meeting has been scheduled for May 3rd from 9:00 am to 12:00 pm at 400 R Street (first floor conference room). Stakeholder input will be sought to identify and recommend the appropriate entities at the local level that should be engaged in project design and implementation efforts. Stakeholders will be asked about innovative strategies that regional partnerships should consider in designing projects for recruiting, training, retaining and advancing the careers of individuals in the health care industry, that have a focus on increasing the supply of LNs. Stakeholders will be requested to identify the most important supportive services critical to help prospective nurses maintain their course of study and/or work experience through licensure. Stakeholders also will be asked to discuss retention strategies, workplace improvement strategies, classroom and training slot expansions, prerequisite design and any other areas deemed necessary.

Solicitation and Competitive Selection Process.

The State will conduct a solicitation and competitive selection process for the increased Nurse Education Capacity and Nurse Training Enhancement Project components of this initiative to identify and select proposals that offer the best solutions to increase the number of nurse education opportunities and to attract, train, and retain qualified licensed nurses.

Nurse Training Enhancement Solicitation for Proposal (SFP). The solicitation for the Nurse Training Enhancement component will require a regional collaborative approach. Given the unique nature of these proposed recruitment, training and retention projects, we intend to seek the formation of regional partnerships that bring together the most capable local entities to

develop strategies to increase the supply of LNs in their region. Such partnerships will include combinations of local governmental entities, private non-profits, segments of higher education, and employer and employee groups. The solicitation will seek to ensure that projects cover all regions and both urban and rural areas in order to identify ways to improve the supply of LNs statewide (see map). Other goals include provisions for negotiation of the actual terms of each contract and assurance that the projects meet the needs of the industry, labor, and the State.

At a minimum, regional partnerships will need to address the following topics where relevant:

- Marketing and outreach strategies that will attract eligible participants to begin, or return to, careers in healthcare and that promote public awareness, especially among the public, to opportunities in licensed nursing.
- Collaboration and agreements with State and local agencies, employer groups, and employee organizations to help identify, refer, and provide services to eligible participants.
- Development and use, coupled with industry cooperation, of innovative efforts to support skills upgrade training, primarily on site, that will enable participants to advance in the health care industry.
- Development of innovative workplace-based efforts that will improve retention of new, and returning, LNs, including preceptor/mentor and post-employment training projects.
- Strategies for sustaining projects started under the NWI.
- Agreement to participate in data collection and evaluation activities designed to assess success of the initiative.
- Strategies to leverage additional resources to support activities that are not allowable with WIA funds and provide flexibility in serving participants.

In order to ensure proper administration and accountability of program funds used in these contracts, each regional partnership will designate a fiscal agent who can demonstrate the following:

- Capacity to retain fiduciary responsibility for the funds,
- That the Fiscal Agent was chosen by agreement among partners,
- Previous experience using public funds for similar projects, and
- Ability to account for and administer these funds properly.

General SFP Process. The State will use a variety of methods to make the SFP available to all interested parties, including posting the SFP on various internet sites and mailing the SFP to those most likely to be interested. Stakeholders, professional organizations, training programs, interested groups, and government agencies are encouraged to use their communications networks to advise their constituencies of the SFP.

After issuing the SFP, the State will conduct bidders' conferences at several locations throughout the State at which State staff will answer questions regarding the SFP. After the bidders' conferences, State staff will summarize the questions and answers, post them on State Internet sites, and mail the questions and answers to those that were mailed the SFP.

State staff will review all proposals received as of the stated due date to ensure that they meet the minimum criteria described in the SFP. All qualifying proposals will be evaluated and scored through an independent review process by teams of State reviewers using a standard evaluation tool. State staff may contact the highest scoring proposing partnerships to resolve any outstanding issues and/or schedule onsite visits. State staff will forward a list of proposals to the Governor's Office for final award, review and approval.

The Employment Development Department (EDD) plans to release an SFP for the Nurse Training Enhancement Program component in early June. If successful, a preliminary schedule for this RFP process would be:

June 3	SFP released
June 11-13	Bidders' conferences
Week of June 24	Questions and answers available
July 13	Submission of all proposals
August 24	Highest-scoring bidders contacted
October 1	Awards announced

*** Please note that this is a tentative schedule.**

The SFP, once released, will contain a final schedule. Responders should pay particular attention to the bidders' conference dates and the last day that the State will accept proposals.

Education Capacity Expansion SFP. The solicitation for the increased Nurse Education Capacity component will be directed to entities of higher education with the primary goal of increasing the capacity [slots] of their respective nursing schools. The goal is to use a proven capitation mechanism, such as that used in the Song-Brown program, to increase the number of slots beyond the slots that would be available otherwise. Schools will identify the total number of slots they will add to their current nursing programs as well as the incremental cost per added slot. Following the Song-Brown model, schools will receive incremental payments for each student who maintains their enrollment in the nursing program and who occupies an expanded slot. Schools will not receive payment for unoccupied expansion slots.

The SFP process for the Nurse Education Capacity component of this initiative will follow the same procedures discussed above. A target date for release of the SFP is Summer 2002.

State Collaboration to Implement the NWI.

In order to leverage expertise located across State government, CHHS formed a collaboration to address early implementation issues and develop the NWI plan. The participating State agencies, and their assets in support of the initiative, are:

The California Health and Human Services Agency (CHHS). The CHHS is responsible for the participation and collaboration of all participating State agencies and departments, ensuring the assignment of staff with expert program knowledge and analytic and organizational skills, and coordinating activities among the State partners and between the State, the private sector, and local partnerships.

The California Workforce Investment Board (CWIB). The Workforce Investment Board (State Board) is charged with providing policy recommendations on all aspects of WIA implementation and establishing the vision and goals for California's Workforce Investment system. In addition, the State Board provides leadership in collaboration among workforce preparation programs in policy development and service delivery strategies.

The Employment Development Department (EDD). The EDD participates in local partnerships and provides employment services through its local offices. In addition, the EDD assists local areas designated under WIA to participate in local partnerships and provides local job training and employment assistance. The EDD also provides economic and labor market information regarding labor supply and demand and career ladders and provides administrative assistance to local partnerships. Further, the EDD coordinates projects with the State's welfare-to-work initiatives, working in collaboration with other agencies and departments to develop career paths and upgrading skill program models that support LN recruitment and retention efforts. Part of this role includes working with local agencies to ensure that local WIBs participate in local partnerships. The EDD is also the fiscal agent for the \$60 million NWI fund.

The Office of Statewide Health Planning and Development (OSHPD). The OSHPD operates a statewide program, called the Song-Brown Program, designed to increase the number of training slots for in-demand doctors. The OSHPD also works with State and local partners to design and implement healthcare worker training projects. Further, the OSHPD operates a grant and loan-forgiveness program primarily targeted at training Registered Nurses. Finally, the OSHPD collects and analyzes financial information about health facilities and medically underserved areas. These activities provide expertise in the development of local partnerships and programs, expertise in providing financial support for nurse training, and information about exemplary local partnerships and programs to serve as models of best practices.

The California Department of Health Services (DHS). The DHS establishes and monitors staffing regulatory processes. Further, the DHS operates health care and other health related programs that indirectly pay for healthcare staff.

The DHS also inspects and licenses health facilities that hire LNs. Finally, the DHS operates the State's Certified Nurse Assistant and Home Health Worker certification programs. The information from these activities should provide important information for development and implementation of the NWI.

Department of Mental Health (DMH). The DMH operates several hospitals for individuals with severe mental disease. In addition, the DMH operates and supports a variety of local community-based mental health service programs. These activities require significant numbers of healthcare workers that are in short supply. The DMH has developed programs to address the recruitment, training and retention of such workers. For example, the DMH also worked with the West Hills Community College District to develop training programs to provide staff for a new hospital currently under construction in Coalinga.

Department of Consumer Affairs (DCA). The mission of the California Department of Consumer Affairs is to promote and protect the interests of California consumers. Health care workforce regulation plays a critical role in consumer protection. The Board of Registered Nursing and the Board of Vocational Nursing and Psychiatric Technicians are among the 40 entities in the department that establish minimum qualifications and levels of competency for various professions. The department and the Boards are involved in the Nurses Workforce Initiative Outreach/Media campaign and other task force groups to help the Governor address California's growing nursing shortage.

Board of Registered Nurses (BRN) and Board of Licensed Vocational Nurses/Psychiatric Technicians (BVNPT). The BRN and BVNPT license registered nurses, vocational nurses, and psychiatric technicians. The Boards approve and regulate schools providing RN, LVN, and PT training. In addition, the Boards maintain expert advisory committees and the BRN participates in collaboratives between community colleges and CSU campuses to improve standardization of prerequisites and increased training slots.

The Evaluation Plan.

The initiative provides \$1 million to support gathering additional information about the nurse workforce and the dynamics of the nurse labor market. These funds also will provide an assessment of the success of the NWI components. Finding successful and sustainable strategies for addressing problems in the health workforce requires identifying what works and what does not and depends on our ability to better understand the economic and other forces affecting the health workforce and health delivery system. Finally, the project will explore methods to collect and make easily available to the public comprehensive RN education information to assist prospective nursing students in program selection.

Currently the BRN reports about 280,000 RNs licensed in California. Of these, about 18,000 are "inactive" licensees. This is a large and growing workforce; yet, several factors complicate our ability to understand the market for LNs. These

factors include the mechanics of health care funding, working conditions for LNs and other health workers, the lure of alternative occupations, and the recently strong labor market. To understand these issues better, the CHHS proposes a two-part evaluation plan.

The first component and bulk of the evaluation plan is a rigorous process and outcome analysis for the sites funded by the training and other dollars in the initiative. While funding prevents evaluating all sites and components with equal intensity, this process and outcome study includes several elements:

- Thorough assessment of implementation issues faced by grantees,
- Particular focus on training capacity expansion, skills upgrade and workplace reform initiatives,
- Analysis across all sites, using appropriate statistical techniques, of identified outcomes of interest, including employment retention, advancement, earnings, contribution to reducing the nurse shortage, and worker well-being measures,
- Construction and analysis of longitudinal administrative data, and
- In-depth interviews with workers, staff, and hospital, ambulatory care, nursing home, long-term care, and in-home care providers.

The second component of the evaluation plan involves development of a strategy to collect and analyze data with which to improve our understanding of current and future demand for and supply of LNs, and the dynamics of the labor market for LNs.

For more information contact:

Teri Boughton
California Health and Human Services Agency
1600 Ninth Street, Room 460
Sacramento, CA 95814
(916) 654-3297
tboughto@chhs.ca.gov

NURSE WORKFORCE INITIATIVE

REGION MAP



Map produced by:
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Nurse Workforce Initiative

Solicitation for Proposals Regions

Region 1 Counties: Butte, Colusa, Del Norte, Glenn, Humboldt, Lake, Lassen, Modoc, Plumas, Shasta, Siskiyou, Sutter, Tehama,

Region 2 Counties: Alpine, Amador, Calaveras, El Dorado, Mariposa, Sacramento, San Joaquin, Sierra, Stanislaus,

Region 3 Counties: Marin, Napa, San Francisco, San Mateo, Solano,

Region 4 Counties: Alameda, Contra Costa, Santa Clara,

Region 5 Counties: Fresno, Madera, Merced, Monterey, San

Region 6 Counties: Inyo, Kern, Kings, Mono, Riverside, San

Region 7 Counties: San Luis Obispo, Santa Barbara, Ventura

Region 8 Counties: Los Angeles, Orange

Region 9 Counties: Imperial, San Diego
